



LTC Alert

California Partnership for Long-Term Care

What you should know about Long-Term Care

September 2003

Increase in Alzheimer's Cases

According to an article in the August 19, 2003 issue of the Los Angeles Times, more than 13 million people in the United States could have Alzheimer's by the year 2050. This data was culled from a new study recently published in the journal, Archives of Neurology. Study projections were made by scientists at Rush-Presbyterian-St. Luke's Medical Center in Chicago, and the U. S. Centers for Disease Control and Prevention. Findings were based on the number of Alzheimer's cases in 4,000 Chicago residents aged 65 or older that were extrapolated to the U.S. population for a chosen time in the future.

The study predicts that the 4.5 million Americans with Alzheimer's disease in 2000 will increase to 5.1 million in

According to the Alzheimer's Association, the current average lifetime cost for an individual with AD is estimated at \$174,000.

2010, 5.7 million in 2020, 7.7 million in 2030, 11 million in 2040, and 13.2 million by 2050. The projected increase is primarily due to the aging of the U.S. population and an increase in life expectancy.

Experts in the study of Alzheimer's disease believe the study reinforces beliefs that Alzheimer's will be seen more frequently and will become a major challenge to society and public health. The research also underscores the need for improved therapies, especially prevention therapies.

Scientists are currently pursuing various strategies to fight off degenerative brain disease, the most common form of dementia. Treatments include therapies with vitamin E, and drugs that help replace the brain chemical, acetylcholine.

CNA Withdraws from LTCI Market

In a memo dated September 3, 2003, CNA Life Operations Senior vice President and Chief Marketing Officer, Tom Wilkey, announced that CNA will no longer be offering individual long-term care insurance.

Effective October 3, 2003 CNA will discontinue sales of the Independence Long-Term Care product in the 23 states in which it is currently available. CNA will also terminate sales under the Affinity Marketing Program and the PEP (Preferred Employees Plan) program on October 3.

CNA has long been a provider of high-quality long-term care insurance policies.

The Facts on Caregiving

5 million informal caregivers provide care for someone aged 50+ with dementia.¹

Most people-nearly 79% - who need LTC live at home or in community settings, not in institutions.²

Most assisted living facilities (ALFs) discharge residents whose cognitive impairments become moderate or severe or who need help with transfers (e.g. moving from a wheelchair to a bed.) This limits the ability of these populations to find appropriate services outside of nursing homes or other institutions.³

Despite the trend toward community based care as opposed to institutionalized care, only 18.2% of long-term care expenditures for the elderly are for community based care.⁴ 40% of the older population with long-term care needs are

poor or near poor (with incomes below 150% of the federal poverty level).⁵

About two-thirds (64%) of older persons living in the community and in need of long-term care depend on family and friends (i.e., informal caregivers) as their only source of help; 28% receive a combination of informal and formal care (i.e., paid help); only 8% used formal care or paid help only.⁶

While there was a decline in the proportion (i.e., prevalence) of the older population receiving long-term care, the level of disability and cognitive impairment among those who received assistance with daily tasks rose sharply. The proportion receiving help with three to six ADLs increased from 35.4% to 42.9% between 1984 and 1994. The proportion of cognitive impairment among the 65+ population rose from 34 to 40 percent.⁷

For the family caregiver forced to give up work to care for a family member or friend, the cost in lost wages and benefits is estimated to be \$109 per day.⁸

In 1998, the percentage of older persons with moderate or severe memory impairment ranged from about 4% among persons aged 65-69 to about 36% among persons aged 85 or older.⁹

SOURCES

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for Healthcare Research and Quality, Rockville, MD.

3. Hawes, R.M. and Phillips, C.D. (December, 1999). *A National Study of Assisted Living for the Frail Elderly: Results of a National Survey of Facilities*. Myers Research Institute, Beachwood, OH.

4. Doty, P. (June 2000). *Cost-Effectiveness of Home and Community-Based Long-Term Care Services*. Office of Disability, Aging and Long-Term Care Policy, U.S. Department of Health and Human Services, Washington, DC.

5. The Henry J. Kaiser Foundation (November, 1999) *Long-term Care: Medicaid's Role and Challenges* (publication #2172), Washington, DC.

6. Liu, K., Manton, K.G., & Aragon, C. (2000). Changes in home care use by disabled elderly persons: 1982-1994, *Journal of Gerontology: SOCIAL SCIENCES*, 55B(4), S245-253.

7. U.S. Department of Health and Human Services (September 2000). *The Characteristics of Long-Term Care Users*. Agency for Healthcare Research and Quality, Rockville, MD.

8. Stucki, B.R. and Mulver, J. (March, 2000). *Can Aging Baby Boomers Avoid the Nursing Home?: Long-Term Care Insurance for Aging in Place*. American Council of Life Insurers, Washington, DC.

9. Federal Interagency Forum on Aging Related Statistics (2000). *Older American 2000: Key Indicators of Well-Being*.

How to be Partnership Authorized

Individuals involved in the sale or marketing of long-term care insurance policies certified by the California Partnership for Long-Term Care are required to complete 8 hours of general long-term care continuing education (CE) and 8 hours of CE specifically on the California Partnership for Long-Term Care. After meeting initial education requirements, agents are required to repeat eight hours of training on the Partnership each two-year license approval period. The following continuing education providers have been approved by the California Department of Insurance and the Department of Health Services to provide the required eight hours of training on the California Partnership for

Long-Term Care:

Sandi Kruse, Sandi Kruse Insurance Training
Bonita, CA 91902, www.kruse.com
Tel. (800) 517-7500, Fax (619) 421-8171

Sandi Miley, Miley Education & Insurance
San Diego, CA 92128
Tel. (800) 296-8440, Fax (619) 374-2004

Tom Orr, Senior Insurance Training Services
Sonoma, CA 95476-9998, www.tomorr.com
Tel. (800) 460-7487, Fax (707) 939-9599